Planning and Managing Contraceptive Phaseout

APPLYING
LESSONS
LEARNED

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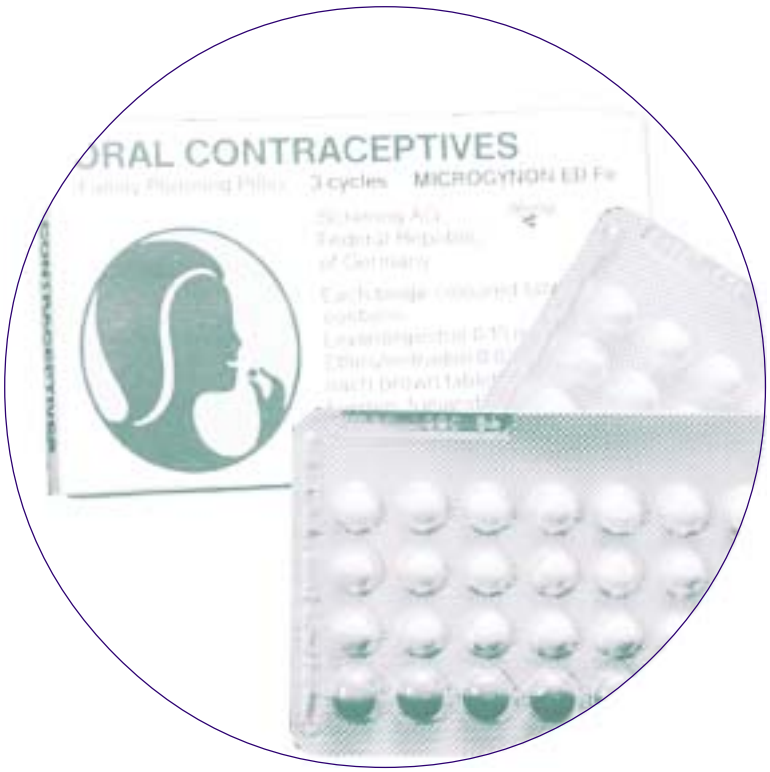
ACRONYMS & ABBREVIATIONS

AIDS	Acquired immune deficiency syndrome
CA	Cooperating agency
CIDA	Canadian International Development Agency
CPR	Contraceptive prevalence rate
CPS	Contraceptive phaseout strategy
CSA	Country Situation Analysis
DANIDA	Danish International Development Agency
DFID	Department for International Development, United Kingdom
DGSR	Dirección General de Salud Reproductiva, Mexico
EDL	Essential drug list
FP	Family planning
GH/PRH/CSL	Bureau for Global Health, Office of Population and Reproductive Health, Commodities Security and Logistics Division
GTZ	German Technical Cooperation
HC	Host country
HIV	Human immunodeficiency virus
IMSS	Instituto Mexicano de Seguridad Social, Mexico
JICA	Japan International Cooperation Agency
LMIS	Logistics management information system
MOH	Ministry of Health
MOU	Memorandum of Understanding
NGO	Nongovernmental organization
PDG	Policy Dialogue Guide
RH	Reproductive health
SO	Strategic Objective
SOAG	Strategic Objective Agreement
TIG	Task Identification Guide
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development


ORAL CONTRACEPTIVES
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Executive Summary

Phaseouts of contraceptive support are the final major step in USAID's role of developing sustainable programs for contraceptive distribution. This review summarizes the principal lessons learned from a series of USAID phaseout operations that have occurred over the past 15 years in a limited set of countries. The lessons derived from these experiences can help Missions charged with future phaseouts avoid past pitfalls and ensure that they endeavor to protect the level of contraceptive security that has already been achieved.

The lessons fall into two basic groups: caveats and principles.

Caveats

The first three lessons underline the principal reasons why phaseouts may fail to meet USAID's objectives and to identify the critical considerations needed to ensure success. These should be considered and reviewed at every stage of a phaseout strategy:

- the time and resources required can be underestimated,
- key areas of assistance are often understated or overlooked, and
- commitments to action, however formal, may lose the priority and USAID support they require for successful completion.

Principles

The last six lessons fall under six main headings which are specific to individual elements of a successful phaseout strategy. First and most important, a **country situation analysis** is needed to validate the feasibility of each phaseout and to identify the priority areas of assistance that are needed for a successful phaseout. The next task is to **secure a clear and comprehensive agreement with the host country stakeholders** concerning the actions that need to be taken, the timeframe, and the persons responsible for each action. Insofar as this agreement may assume an expanded role for other donors, their **concurrence and involvement** may be needed. Two related areas of assistance activity are critical for a successful phaseout: **determining how to decrease program costs while maintaining quality services and providing a broad range of logistics assistance** to ensure the maintenance of a quality service program. Finally, if USAID wants to be able to judge the relative success of any phaseout at some point after the phaseout has been completed, then the phaseout plan for a country should **clearly document the phaseout process and identify the continuing USAID and host country resources needed** to make a postphaseout review possible.

Lessons Learned

Introduction

Over the past 20 years, USAID has ended its contraceptive support to a number of developing countries. Similar phaseout decisions are likely to be made for other countries in the future. Ideally, USAID's immediate purpose in these phaseouts is to end its support for countries with programs that are considered to be sufficiently mature to obtain their own contraceptive supplies and that have logistics systems capable of taking responsibility for forecasting, procurement, distribution/transport, storage, etc. USAID's larger purpose is to implement these phaseouts in a way that ensures the continuation of the family planning service delivery programs that USAID has helped to establish. Phaseouts should be a vote of confidence by USAID in the capability of these countries to manage and finance the needs of their own programs and to provide contraceptive security to the couples they serve.

Contraceptive security is defined as "everyone who wants to use family planning is able to choose, obtain, and use good quality contraceptives."[1] Phaseouts should not require USAID to abandon or reduce its commitment to achieving contraceptive security. Contraceptive phaseout can and does occur with much yet to be done to achieve contraceptive security. Phaseout can happen without contraceptive security. Few countries have reached contraceptive security, as measured by the definition used in this review, and no country from which USAID has phased out had achieved contraceptive security before, during, or even after phaseout. Contraceptive security need not be a condition for phaseout. The goal of phaseout should be to maintain the country's position in achieving contraceptive security, wherever it was at the time phaseout began.

Currently, there are no established USAID guidelines to help Missions plan phaseouts of contraceptive support. This review, based on USAID's phaseout experience in six countries, is a first step toward the development of a step-by-step guide that Missions can use when they undertake contraceptive phaseout. Each phaseout challenge is somewhat different. Different country programs vary in their readiness to give up external support; the departure of USAID can have vastly different impacts on the program's capacity to deliver services.

[1] This definition is taken from *Population Reports*, "Family Planning Logistics: Strengthening the Supply Chain," Winter 2002, Volume XXX, Number 1: Series J, Number 51, p. 2.

The six countries chosen for this review were selected for several reasons. They represented a variety of situations in which USAID has attempted successful phaseouts of contraceptive support. These countries also had reasonably adequate documentation of their phaseout processes and access to a few of the USAID staff members who were involved. It is clear that each country is different and that one formula is not appropriate for all cases. Clearly, these six countries do not illustrate all of the circumstances that USAID will need to address in other countries; their experience does, however, yield some useful guidance on what does and does not work in many phaseout situations.

COUNTRIES SELECTED FOR REVIEW

- Mexico, Morocco, Tunisia, and Turkey are programs where contraceptive phaseout was initiated and completed.
- In Zimbabwe, contraceptive phaseout was initiated and later canceled when USAID agreed that phaseout was not currently feasible.
- In Kenya, most contraceptive assistance has ended, but logistics assistance continues and supports the commodity assistance programs of other donors.

The phaseout strategies and procedures of the six countries selected for study were documented in USAID and cooperating agency (CA) files. The review also relied, therefore, on interviews with selected USAID, cooperating agency, and host country officials who took part in these phaseout processes. The review focused on Kenya, Mexico, Morocco, Tunisia, Turkey, and Zimbabwe—countries where USAID phaseouts were attempted during the last 10–12 years. The resulting paper does not provide a set of detailed country histories. Rather, the paper distills the common lessons learned in these past phaseouts that, properly adapted, can guide other Missions considering phaseout initiatives of their own.

The available documentation on past phaseouts is only a partial record of how these phaseouts were conducted and therefore is not offered as a comprehensive or definitive statement of the lessons that could be learned from a more thorough review of these earlier experiences. USAID personnel involved in the phaseouts were understandably more focused on solving the phaseout problems they faced than they were in developing guidance materials for future phaseouts. One set of countries that this review did not consider were the mandated phaseouts that occurred in a number of West African countries. Other policy and budgetary concerns drove these actions and overrode the commitment to contraceptive security that normally guides other phaseouts. USAID's overriding objective in these cases was to close USAID Missions—although not necessarily all program assistance. The guidance provided here could at most minimize the program disruption likely to result from such decisions.

This review had two related purposes:

- to identify crosscutting lessons that have emerged from some of USAID's prior phaseout efforts, and then, drawing on these lessons,
- to develop management tools that Missions may find useful when they undertake phaseouts in the future.

These tools were not intended to be prescriptive; rather, they draw on the lessons discussed herein to help Missions structure their own phaseout strategies. Ultimately, each Mission will need to determine the appropriate set of actions that will effect a successful phaseout under circumstances unique to each host country situation.

The Importance of Contraceptive Security

One basic premise should guide Missions in deciding whether to proceed with a contraceptive phaseout strategy. Briefly, the success of that strategy will be measured by the extent to which host country programs will be able to continue their distribution of the appropriate quantity and type of contraceptives to clients after the responsibility for purchasing and distributing contraceptives to the service delivery points has been transferred by USAID to its host country partner(s) and/or other donors. USAID has a clear stake in the continuation of programs in which it has invested heavily. The ability of these programs to continue contraceptive distribution without USAID's support signals USAID's effectiveness in developing the skills, practices, and commitment that partners require to succeed on their own.

Donors agree that contraceptive security should be the overriding objective of contraceptive assistance programs. This consensus emphasizes the importance of striving for genuinely successful USAID phaseout, whatever the reasons for ending external support. The loss of any portion or source of external support threatens contraceptive security unless the phaseout process supports a genuine transfer of responsibility and capability for contraceptive procurement and distribution to other reliable sources of support. Ultimately, the success of a phaseout strategy is measured by the extent to which it preserves contraceptive security after the completion of the phaseout process.

All of the lessons learned make it clear that successful phaseouts are very difficult to achieve because

- the process is complex,
- the information about problems from past phaseouts is relatively sparse, and
- many of the key stakeholders are not under USAID's management control.

Consequently, the lessons learned that are reported here and the management tools they suggest for future phaseouts are provisional and partial aids to facilitate successful phaseouts in the future.

Caveats

Successful phaseouts need adequate time for completing the essential tasks.

A recurring finding across the countries that have taken part in phaseouts is that USAID typically does not provide enough time to fully complete the process. Phaseouts involve a large number of time-consuming tasks, many of which occur sequentially. Time is needed to persuade host country partners that the conditions are appropriate for phaseout, that they should support the process, and that in many circumstances, they should help create conditions favorable to a successful phaseout. More time than was originally planned is typically needed to negotiate a formal agreement and to implement a comprehensive phaseout plan. It takes time for partners to secure the funds needed for procurement, to remove the regulatory and other obstacles to procurement, and to identify the other procurement-related costs that they need to assume. Time is also required to carry out more than one procurement cycle to test and prove the partner's ability to take over this task.

Critical Role of Time in Phaseouts

Mexico, Morocco, and Turkey were successful phaseouts because the Missions built in sufficient time to address the wide array of phaseout-related issues.

- The initial phaseout plans helped start the process.
- Over time, each Mission addressed unforeseen needs and modified its plan accordingly.

The time line for phaseout can always be amended to ensure success.

In addition to procurement, time is needed to create and test the partner's logistics system to determine if it can support the changes in procurement and other logistics management functions that will no longer be provided by USAID. This aspect—the building of an adequate logistics management system—is often one of the most overlooked and underestimated programming challenges of the phaseout process. Leaders often think that contraceptive phaseout actions only need to resolve procurement issues. The reality is that the existing logistics system has to be adapted and strengthened to cope with the greatly expanded responsibilities after phaseout.

The logistics system used by the host country partner(s) before phaseout of external support was usually shaped by the administrative requirements of the donors. When the source of funding and procurement management changes, the logistics system has to adapt. This system adaptation can be planned but cannot be fully implemented until the new procurement operations begin to function. Additionally, time is needed to engage and enlist the support of host country policymakers, political leaders, elements of civil society, the commercial sector, and other groups that have strong vested interests in the outcome of a contraceptive phaseout initiative.

The time required for phaseout defines USAID's costs. When Missions have a mandate to reallocate budgets quickly or when Mission closeouts require contraceptive phaseout regardless of a partner's ability to assume contraceptive and logistics responsibilities, programs often face phaseout schedules that cannot accommodate the essential preparatory tasks, thereby jeopardizing the continuing operation of USAID's previous investments in these family planning programs. Phaseout time lines structured to satisfy USAID's needs for budget reallocation and/or program termination can force Missions to reduce or eliminate critical elements of the phaseout strategy that partners genuinely need if they are to maintain viable programs after USAID support has ended.

How long does it take to carry out a successful phaseout? USAID staff interviewed estimated that a minimum of three to five years was needed to effect a successful phaseout. Importantly, this three-to-five year timeframe assumes that much preparatory work would be completed in advance of launching a phaseout process (i.e., while the host country is still donor dependent) to ensure that essential host country skills and conditions are in place before a phaseout process begins. This approximate period allows for the testing and adaptation of new systems so that there is a seamless transition to full host country operation of the system. The testing of the system is a final assurance that contraceptive security will not be sacrificed to achieve an arbitrary date for the phaseout of external support. The amount of time necessary for the phaseout process ultimately depends on

- how well prepared the partner is when phaseout of contraceptive donations is initiated, and

WHY COUNTRIES RESIST PHASEOUT

- Phaseout means losing resources that support programs.
- Host countries perceive that USAID would not allow a program to fail.
- Adding items to the budget requires politically sensitive cutbacks in other current programs.
- No other donor is interested in taking over USAID's role in contraceptive assistance.
- Other crises (e.g., HIV/AIDS) have a priority claim on attention and resources.
- Governments interpret abundant supplies to mean no urgency for phaseout
- Phaseout reduces the size of programs and revenues from cost-sharing arrangements.

- how supportive or inhospitable the political, financial, and market conditions are that are needed to facilitate a successful phaseout.

An understanding that technical assistance (in logistics, policy work, or other area) may have to be continued past the end of USAID commodity support is necessary.

Can USAID really afford the time and resources required to carry out successful phaseouts? How can USAID support new activities if ongoing activities are never ended? Although this concern often shortens the timetable of assistance in support of phaseout strategies, it should also address the parallel question that underscores the costly consequences of allowing too little time for phaseouts. Will USAID jeopardize the long-term survival of its multiyear investments to build service delivery programs because it will not allow sufficient time for phaseouts to ensure that programs will be able to survive when USAID assistance ends?

A successful phaseout strategy should address many program issues in addition to the transfer of responsibility for the purchase of contraceptives.

Contraceptive phaseout decisions often focus so exclusively on the transfer of responsibility for purchasing contraceptive supplies from USAID to its host country partner(s) and/or other donors that other critical changes are overlooked. Procurement responsibility cannot be successfully transferred without significant changes in the host country's logistics system and parallel changes in the scope and magnitude of the assistance that USAID provides. Phaseout typically requires, for example, host country policy changes that permit and facilitate host country procurement actions. Keeping control of program costs may also require a fresh look at costly beliefs and/or laws that mandate free services for all clients and an examination of the possibilities for market segmentation and cost-recovery initiatives that can reduce program costs. New procurement and other logistics skills have to be learned and logistics systems have to be reconstructed to serve the host country's new reality.

Major changes in USAID's overall assistance package may be needed for successful phaseouts. USAID support for contraceptive assistance historically takes one of three general forms:

- start-up support for new programs,
- continuing support for ongoing and growing programs, and

- transitional support for programs scheduled for a phaseout of contraceptive assistance.

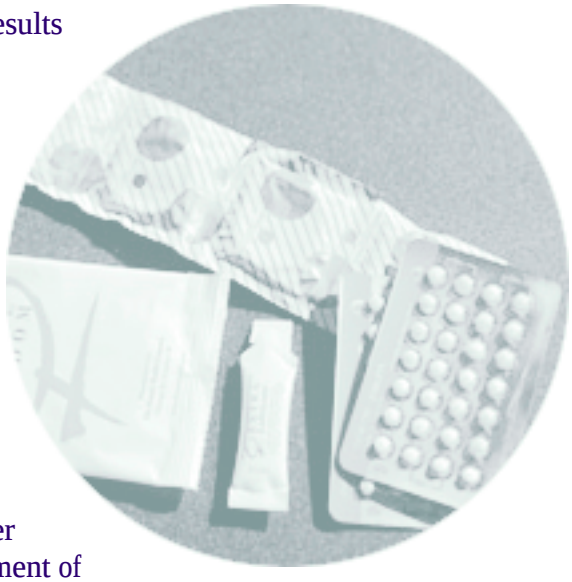
Phaseout support is the final and distinctive stage of USAID's assistance to family planning programs and requires a very different mix of assistance than is typical of the earlier stages of support. It is also important to determine the composition of that mix of technical assistance (procurement, logistics, commercial marketing, data management, policy) needed to ensure a successful phaseout. This need is clearly shown by comparing the general needs of programs before and after they have received USAID contraceptive donation support.

Before phaseout begins, USAID typically funds

- the procurement and delivery of donated contraceptive supplies,
- logistics assistance that supports the purchase of contraceptives and the operations of in-country delivery systems, and
- related support for the development of a contraceptive logistics management system, which often includes technical assistance for contraceptive security policy development, forecasting, procurement, distribution, transport, storage, management information system development, and supervision/ performance improvement activities.

After phaseout begins, USAID needs to ensure the following:

- the procurement of contraceptives through local or other donor funding (which may include a gradual decrease in contraceptive donations over time during the phaseout) and the technical assistance to develop needed forecasting and procurement skills within the host country organization;
- a gradual transfer of other needed support for procurement (forecasting, distribution, transport, storage, management information systems, supervision) to the responsibility of the host country partner; this situation often results in the need to continue logistics technical assistance after contraceptive donations have ended; and
- the development of national policies that support the changed environment.



The end result of this comparison is clear: successful phaseout may require USAID to *increase* its support for logistics assistance and other program and/or policy work during the phaseout process. Phaseout also requires

- intense, continuous, and sometimes difficult policy dialogue to gain stakeholder support for phaseout and a timely commitment of local funds for procurement;

- negotiation of a comprehensive agreement to transfer a wide range of responsibilities associated with procurement and the contraceptive logistics management system;
- the strengthening and retailoring of the stakeholder's logistics capacity to support the new arrangements; and
- the development of operational policies and procedures for implementation of targeting and/or cost-recovery initiatives.

Purchasing contraceptives is only one of many tasks that will become stakeholder responsibilities as a result of phaseout.

Treat the contraceptive phaseout agreement as a Mission priority.

Over time, as the process of the phaseout begins to operate, other concerns of USAID and the host country partner can divert attention from small but significant details of the phaseout agreement, and its requirements can be overlooked or forgotten. Missions have adopted various approaches for countering this predictable problem.

One successful approach is for Missions to assign responsibility to a specific Mission officer for monitoring progress on the phaseout agreement; urge anew, as needed, host country partners' responsiveness to the agreement; and direct Mission attention to imminent benchmark events. When events occur that block or delay phaseout, the USAID monitor can provide an advance alert to the need for adjustments in the phaseout plan, or the monitor can advise senior Mission or embassy officers that policy dialogue is needed to resolve conflicts at higher levels of the partner organization. High-level intervention may be especially critical if the effort of the host country partner to allocate funds for procurement and related logistics activities stalls and therefore threatens a timely continuation of the phaseout process.

When the Mission is short staffed and cannot adequately monitor the phaseout process, a complementary action that may help keep phaseout agreements in clear focus and facilitate implementation is for Missions to engage a resident contraceptive security adviser who can work closely with host country counterparts to identify technical assistance and training needs, foresee and help solve emerging problems, and keep the Mission apprised of progress toward the phaseout objectives.

Mexico and Morocco designated a Mission contact person for management and oversight of their phaseout agreements.

Constant monitoring assures USAID that emerging problems will be identified early in the process so that any barriers to phaseout can be addressed quickly and the process kept on schedule. Modifying or abandoning phaseout initiatives when

they prove unworkable is a responsible measure that protects USAID's long-term investment in developing programs that might not be ready to be independent.

During the process of developing an agreement and after an agreement has been put in place, USAID also has to ensure that contrary messages are not sent to its host country partner by other sections of USAID or by other spokespersons of the U.S. government. When USAID gives its partners inconsistent messages, partners can assume that the phaseout is stalled or being reconsidered. This often leads to delaying necessary actions that should be taken. When the USAID message is consistent, as it was in Morocco, the process is less likely to be delayed. Similarly, information on phaseout plans also needs to be shared with cooperating agencies, especially those charged with providing technical assistance to host country partners to implement their phaseout response. Lapses in the information flow to cooperating agencies can work against a consistent understanding of the actions required for phaseout.

Monitoring enabled Zimbabwe to pick up danger signs quickly in the mid–1990s and again five years later, and to adjust its phaseout plan accordingly.

Principles

Because phaseout is a major stage in USAID's development assistance, the determination of whether a contraceptive phaseout is feasible should depend on the findings of a country situation analysis.

The decision to phase out USAID support for contraceptive donations is obviously not a routine action. It commits USAID to the most challenging stage of any development activity: to determine that a program is sufficiently robust and mature to continue without USAID assistance. Is the program ready for phaseout? Is it likely to continue and grow stronger without USAID assistance? These questions are not very different from those that USAID asks at earlier stages of any activity. Is this program ready for a new initiative? Is enough support planned to make success likely? There is no reason to exempt phaseouts from this normal and prudent kind of enquiry. In fact, since phaseouts are the ultimate test of USAID's success in building country capabilities, the need for a country situation analysis (CSA) that can advise phaseout is even more critical than the earlier assessments that advise program startup and assist in continuing their growth.

Part of the value of a CSA is that it can help identify obstacles to a phaseout and/or the possibility that the proposed timeframe to complete a phaseout is unrealistic. CSAs also help identify the following:

- existing regulatory barriers to procurement;
- regulatory barriers to program adaptation, such as cost recovery and targeting;

- adequacy of the available logistics skill bank; and
- likely impact of phaseout on program services and coverage rates.

The CSAs can also assist in the design of a suitable technical assistance package to accompany phaseout. CSAs are potentially controversial because they can confront USAID decision-makers with a finding that phaseouts already declared may not be feasible under prevailing conditions in the host country. Such a finding could conceivably lead USAID to reconsider a phaseout decision. In all cases, it should help the Mission chart a course of action that would minimize damage and disruption to the host country's program.

Develop a clear, written phaseout agreement with host country stakeholder(s).

A jointly developed agreement with stakeholders that specifies

- **actions** to be taken,
- the **person responsible** for each significant action,
- the **time lines** for phaseout, and
- **indicators** and **benchmarks** for measuring progress

is a critical tool that is needed to guide the phaseout process. The agreement establishes a consensus on the milestones to be met and the relative balance of attention that will be given to policy development, training, and other issues. Missions that have developed these written agreements with host country stakeholders have found that they have better assurance of cooperation and commitment by their stakeholders than when there is no written agreement. Some Missions make this agreement (including conditions precedent, if needed) an integral part of bilateral assistance agreements with host country partners. Such agreements require each stakeholder to take certain key actions on a mutually agreed timetable. When changes are needed during the process, the agreement serves as a commonly accepted framework for amendments.

An agreement to create a phaseout process that is comprehensive, credible, and actionable is often difficult to achieve and sometimes dissolves over time as the stakeholders change or new reasons to oppose phaseout arise. The issues that need attention are complex, and there are many reasons why aid recipients may resist steps to terminate an assistance program.

Although the Mission's phaseout proposals in Morocco and Tunisia were widely expected in those countries, it required years of continuous effort to plan and implement phaseouts in both countries. In Turkey, USAID contraceptive assistance had been provided for decades, and some government ministers were not aware that contraceptive supplies even depended on foreign aid. In general, the art of building consensus and maintaining it over the five or more years it takes to effect phaseout is the same kind of challenge that USAID faces in effecting other major policy changes. Stakeholders have to be persuaded that the desired change is inevitable and that USAID is firmly committed to making the change work.

As one respondent noted, dependency tends to become institutionalized. The phaseout agreement uproots established practices and beliefs based on dependency, and creates a new system for which the host country stakeholder has responsibility. A phaseout proposal often takes away from stakeholders a basic assumption that influenced their decision to support family planning originally (i.e., that contraceptives would not be a cost they would have to include in their own budget). Where possible, the cost of phaseout is easier to accept when USAID can link its withdrawal of one kind of assistance to new offers of generous assistance for other host country interests. In Mexico, this kind of linkage helped build government support for the phaseout process.

In Mexico, five key public agencies were partners to the phaseout agreement. Their involvement ensured that the transfer of procurement tasks would be institutionalized.

Agreements can be difficult to implement because of misunderstandings.

- In one country, a windfall, end-of-year shipment of contraceptives created an illusion of surplus and undermined the stakeholder's earlier sense of urgency that it needed to begin buying supplies. USAID's central procurement unit in Washington can help Missions assess their supply levels so that during a phaseout process, supplies are just adequate to meet needs, but remain at or below levels that could give the impression of abundance.
- Budget years (i.e., USAID's or the host country's) need careful definition in agreements to avoid confusion regarding when benchmarks should be achieved.
- When commitments are specified as percentage shares of the supplies needed, confusion will develop unless percentages specifically refer only to product quantities, not values.
- Contraceptive costs paid by host country stakeholders will almost always be different than the contraceptive costs paid by USAID.

Involve other potential donors/partners in the agreement and gain their concurrence.

When other donors are needed as alternate sources of funding after USAID's phaseout, it is critical to involve them in the development of the phaseout strategy and secure their concurrence in USAID's phaseout agreement. Other donors can delay and even derail the phaseout process if

- they fail to make planned shipments,
- they make unplanned donations of supplies that the host country was planning to procure, or
- their actions affect phaseout-related technical assistance programmed by USAID.

In Mexico, another donor unexpectedly provided a three-year supply of contraceptives that the Mexican government had agreed to purchase, thereby delaying the initiation of host country procurement. In Morocco, the Mission gained the agreement of other donors to respect the phaseout, and these donors reinforced the phaseout requirement for host country procurement by not offering support to make up for USAID's reduced shipments. If USAID's phaseout requires one or more donors to take its place, the actual termination of USAID support has to take into account the time required for other donors to begin their assistance activities.

Explore ways to decrease program costs in order to maintain quality program coverage.

USAID support for family planning/reproductive health programs ideally focuses services on the very poor (i.e., those who would not have access to contraceptives without subsidized supplies). As programs expand, the continuing challenge is to redirect sufficiently well-off clients to commercial sources or to institute some system of cost recovery that targets fully subsidized services for the very poor. With phaseout, all of the costs of buying and distributing contraceptives fall on the host country partner, and it becomes even more important to reserve free services for those clients most in need.

USAID's host country partner is typically a government agency but it may also be an indigenous nongovernmental organization (NGO). In both of these cases, the requirements for successful phaseout are very similar for USAID and the partner. When social marketing programs are involved, special attention needs to be paid to the commercial sector and to the future sources of subsidies for the social marketing system that USAID has been providing.

During phaseout, USAID needs to help its partner improve the efficiency of its logistics system by encouraging and supporting the search for cost savings. The subject is very sensitive in countries in which law or policy mandate free services for all; in these cases, high-level policy dialogue may be needed to open the issue for review. USAID can encourage and support a multipronged effort to lower a program's product costs by supporting the following initiatives:

- examination of options for introducing cost-recovery and client charges,
- market segmentation that requires payment by clients able to pay and that encourages them to seek services from commercial sources, and
- support for the expansion of commercial sales of affordable basic contraceptives, including social marketing programs, and actions that minimize competition from the partner's free service delivery program.

The continuing purpose of these initiatives is to help a partner focus its limited purchasing capacity on meeting the needs of low-income clients. Subsidized private distribution systems reduce but do not eliminate public costs for contraceptive distribution. When subsidized private distribution systems already operate, their subsidies cannot be ignored when calculating the cost after phaseout of the host country's overall contraceptive distribution program without risking the ability to support them. In addition, the lessons learned over time have revealed that, in general, family planning is not sustainable on its own without some cost recovery; subsidies can often be drawn from charges for other services that clients can afford. Phaseout, therefore, often requires partners to expand the range of their services to create new sources of income from clients; this kind of initiative may require additional technical assistance during the phaseout period.

Provide a technical assistance and program management package tailored to the partner's individual contraceptive phaseout strategy.

Several areas of logistics management require special USAID attention and support during phaseout, including

- a logistics needs assessment to identify the priority areas of technical assistance and training required during the phaseout period, using a broad definition that includes help in skill areas such as coverage questions, equity issues, and quality assurance matters;
- logistics assistance to help the partner design or adapt its procurement and logistics management system for needs after phaseout;
- technical assistance to strengthen the partner's skills bank and training capacities; and
- other requirements for needs for technical assistance and training after phaseout help to fill unforeseen gaps in the contraceptive phaseout strategy.

A needs assessment should be conducted to determine host country technical assistance requirements in logistics management. This could be done as part of the CSA or as a parallel exercise. Logistics capabilities should be recognized as an essential component of any successful phaseout strategy. This assessment is critical because it represents a final opportunity to design and transfer the needed skills and capacities that will equip the partner for a self-sufficient operation.

A key element of logistics support is to strengthen the partner's basic capacity for contraceptive procurement. Logistics can strengthen the partner in three main ways. First, while the effort to secure host country funding is still underway, logistics support can help the partner develop realistic cost estimates so that the funds budgeted by the host country will be adequate to meet program needs. Realistic cost estimates include the cost of

- contraceptive supplies for which the host country institution will have to pay when it undertakes its own purchasing and
- additional support system activities, including
  - a logistics management information system,
  - maintenance of adequate logistics skills, and
  - appropriate distribution and storage capabilities.

Note that these costs will not be the same as the cost paid by USAID for the same supplies. These activities will become the partner's responsibility after phaseout.

Second, technical assistance can help partners anticipate and resolve problems that will be encountered during the procurement process, especially policy issues and/or regulatory changes that need to precede the startup of a host country procurement process. For example, contraceptives should always be placed on the host country's essential drug list (EDL). Waivers for port duties and other barriers to the entry of contraceptive shipments may be needed and should be anticipated. Storage and distribution arrangements will also have to be made. USAID can help host country partners manage the special requirements of contraceptive procurement by providing simulated procurements while the partner's procurement unit is waiting for the funds to launch its first procurement action. Training can improve the partner's ability to establish appropriate product specifications, develop quality control standards, use alternative and reliable market sources, and establish the lead times required for ordering various contraceptive products (recognizing, of course, that estimates of lead times will be modified as a result of experience).

SYSTEM CHANGE IN MEXICO

When IMSS (Social Security) and DGSR (Ministry of Health) began to purchase supplies from local sources, the results were

- sharply reduced lead times for new orders,
- substantially increased unit costs compared with USAID's costs, and
- a shift of warehousing and distribution tasks to local suppliers.

If the host country partner is committed to purchasing only a portion of its annual requirement for a product during the phaseout period, its most cost-effective approach may be very different from the strategy it will use when it purchases its entire annual supply.

Finally, when funds become available for host country procurement, logistics assistance can help the partner update its system information so that purchases will be closely linked to changing program needs. Logistics advisers can also help the partner assess the problems that accompany initial procurement actions and help partner officials identify corrective actions.

It is essential that a partner's logistics system be tailored to address procurement procedures after phaseout. Initially, the logistics operations used were probably designed to serve USAID's needs as a donor. As the partner takes over increasing shares of procurement responsibility, the partner's original logistics practices (i.e., those developed to support the distribution of USAID–funded contraceptives) can become dysfunctional. In Mexico, the Ministry of Health shifted warehousing and distribution responsibilities to local vendors. The volume of required supply pipelines and the host country's minimum reserve quantities will change as well. Just as the original logistics system was designed for USAID's procurement system, the transition to partner procurement may require a radical restructuring of logistics to fit the host country's system and needs.

Logistics training for host country personnel and the building of adequate training capacity into the partner's system are critical for a successful phaseout. The partner should achieve independence from USAID assistance by equipping its own staff with essential logistics skills and by establishing a capacity to train future generations of logistics managers, with limited or no external aid.

In addition, USAID needs to consider the possibility of providing logistics assistance independently of contraceptive procurement assistance as the latter ends. The point in time when the partner provides its own contraceptive supplies marks the beginning of a final transition period as USAID donations are gradually depleted, and the only source of new supplies is the partner's own procurement or donations from other donors. New supply management problems are likely to arise at this stage that can be resolved if USAID continues to provide some logistics advisory assistance after the phaseout of commodity support. In Kenya, continuing logistics assistance has been critical in improving the effectiveness of other donor support.

In Tunisia, the Mission engaged experts to determine the cost of buying supplies under different purchasing alternatives so that the host country would know the costs it was likely to assume.

IF USAID WANTS TO DETERMINE THE RELATIVE SUCCESS OF ITS PHASEOUTS, MECHANISMS FOR SUBSEQUENT DATA RETRIEVAL NEED TO BE A PART OF THE ORIGINAL PHASEOUT PLAN.

Persons interviewed for this paper believed that USAID phaseouts have been generally successful to date, judging by the continued operation of most of the

programs that previously received USAID contraceptive assistance. How long these programs will continue to function successfully is uncertain. It is also unclear to what extent program services, including quality and coverage, were affected and whether the impacts were adverse or favorable.

Host country programs in Mexico, Morocco, Tunisia, and Turkey continue to serve their traditional clients and show no signs of measurable decline. In Zimbabwe, USAID has had to suspend its phaseout process because of severe economic and political problems that have weakened the host country program. In Kenya, the program continues but depends on other donor support for contraceptives and on USAID support for logistics management inputs. None of the programs reviewed have been phased out for more than a decade, and some still have USAID commodities available in their distribution pipelines.

One significant but low visibility threat to the future effectiveness of programs is the fragility of their stock of logistics skills. Trained staff regularly moves off to other jobs, and most countries lack the will and/or the capacity to maintain critical logistics skills. This weakness is the key reason why continued logistics assistance after the phaseout of contraceptive donations is often a sound investment by USAID. Another significant threat to some programs is the rapidly growing claim of HIV/AIDS programs on scarce public resources.

What should USAID do to benefit more fully from the lessons available in phaseout experiences? USAID has no current commitment to look back on a regular basis at countries where contraceptive assistance has been phased out (i.e., to determine the lessons from these experiences that might benefit current and future USAID activities). One Mission officer recommended strongly that USAID should undertake periodic visits to countries where assistance has ended to gather lessons learned. Such inquiries should be established as a continuing practice of USAID.

This paper has been extremely limited in its capacity to provide a retrospective view. Most of the original staff members involved in phaseouts have dispersed. No data have been collected to permit an assessment of program performance since the USAID phaseout. USAID lacks the observers and the capacity to collect data that are needed to remain an informed judge of the program operations that continued after its departure. If retrospective views of the impact of phaseouts are to become possible, USAID will need to persuade host countries that they can gain from joint assessment of the events that occurred after USAID terminated its assistance.

Conclusion

Successful phaseout programs for contraceptive assistance require the same focused attention that was required to initiate USAID support for these programs years earlier. The challenge is to help the host country amass the resources and skills needed to maintain the quality and breadth of services already achieved and, if possible, to cope with a growth in future program needs as well. Past USAID experience shows a wealth of Mission initiative and foresight that indicates the outline of a needed manual for phaseouts that future USAID staffs could usefully follow.

Management Decision Tool

Introduction

The **Management Decision Tool** is intended to help Missions identify and implement the key steps generally involved in a contraceptive phaseout strategy—from the Mission's initial consideration of a possible phaseout of contraceptive support, through the transfer of contraceptive planning, budgeting, procurement, and distribution responsibilities, to the Mission's host country (HC) partner(s). The tool is not a complex or labor-intensive process. For the most part, it can be completed as a desktop exercise that can help Mission staff take into account and apply the preceding lessons learned. The tool contains three components:

- the Country Situation Analysis (CSA),
- the Task Identification Guide (TIG), and
- the Policy Dialogue Guide (PDG).

The **Country Situation Analysis** (CSA) can be used by Missions to determine whether host country conditions are favorable to launching and implementing a phaseout strategy. The primary management utility of the CSA is that it helps Missions identify specific factors that might impede a successful phaseout, and the steps (tasks) that the Mission and its HC partner(s) should undertake to resolve or eliminate those impediments.

The **Task Identification Guide** (TIG) is essentially a list of tasks identified by the CSA. Missions would transcribe these tasks from the CSA onto the TIG, establish a completion date for each task, and identify the action officer(s) responsible for each task. The Mission would then use the TIG to track the progress of its contraceptive phaseout strategy.

The **Policy Dialogue Guide** (PDG) is a second list of tasks that emerge from the CSA but one that focuses Mission attention on a subset of tasks involved in designing and implementing a phaseout strategy. This subset—policy dialogue—reflects the critically important role that host country policy and policymakers are likely to have on the success of a contraceptive phaseout strategy. Like the other two components of the Management Decision Tool, the PDG is a checklist that Missions can use to help identify and carry out the essential elements of the policy dialogue process with HC counterparts.

Country Situation Analysis

Situation analyses often precede USAID decisions to launch, adjust, or terminate major resource commitments. With the benefit of such analyses, USAID is generally better equipped to decide whether to proceed or not along a certain course of action, or how best to manage a process that might be fraught with real or potential difficulties. The CSA for a prospective contraceptive phaseout is no different. By asking a series of questions, it can help identify favorable conditions or obstacles to a successful phaseout. Mission consideration of those factors can help it decide whether the time and circumstances are indeed appropriate for proceeding with a phaseout, or if additional preparatory work needs to be completed before a phaseout strategy can be launched and successfully implemented. The dual purposes of this tool are to

- help USAID Missions determine whether a contraceptive phaseout is feasible, given prevailing conditions in the host country; and
- identify those key tasks that Missions and their host country partners need to complete as they undertake a contraceptive phaseout strategy.

Ideally, Missions would undertake this analysis before making a contraceptive phaseout strategy (CPS) decision (i.e., as an aid in determining whether such a decision is feasible and appropriate to host country conditions). The tool can also be useful, however, in many cases where a USAID Mission has already decided to proceed with a CPS—or for a variety of reasons finds itself with little choice but to proceed with a phaseout. In these instances, the analysis can help focus Mission attention on actions it can take to either support a successful phaseout or to minimize the disruption caused by an unanticipated phaseout.

Using the CSA

As explained above, the CSA is for the most part a checklist exercise. It guides the user through a series of questions and answers and asks the user to check responses that apply to the host country situation. Some of the questions/responses are simply reminders of factors or issues that the Mission would normally consider as it decides whether or not to proceed with a CPS. Responses to other questions, however, flag critical issues and/or tasks that the Mission and its host country partners need to address if a CPS is to be successfully launched and executed. If checked by the CSA user, these critical issues/tasks are either listed at the end of the CSA or are transcribed onto the TIG and/or the PDG. Critically important questions/responses are shown in ***bold italics*** to help the user identify them clearly.

Once the CSA exercise has been completed and the major tasks/issues identified by the CSA process have been highlighted in the CSA or transcribed onto the two guides, the USAID Mission then will be able to view the range of tasks, issues, and consequences implicit in a contraceptive phaseout and to decide whether conditions are indeed appropriate to proceed with the development and implementation of a CPS. If the decision is made to proceed with a CPS, the two guides will serve as both instructive tools and monitoring instruments for the duration of the phaseout process, identifying the necessary tasks, persons responsible, and a timeframe.

A. Mission Contraceptive Phaseout Strategy

1. Has the Mission (and relevant regional bureau) already decided to adopt and pursue a CPS?

   ☐ *Yes.* Does the Mission's CPS include a timeframe (e.g., "complete the contraceptive phaseout by year 20___")?

      ☐ *Yes* What is the duration (number of years) of the CPS? ___

      ☐ *No* (TBD)

   ☐ *No.* CONTINUE TO THE QUESTIONS BELOW.

2. If the Mission is either considering adopting a CPS or has already decided to adopt/pursue a CPS, what are the primary reasons for doing so? Check all that apply.

   ☐ The Mission and its host country partner(s) agree that a CPS is consistent with the partners' efforts to achieve self-reliance and long-term program sustainability. IF CHECKED, SKIP QUESTION 3.

   ☐ The Mission is confident that it can successfully design, negotiate, and implement a CPS strategy with partner(s) who are likely to approach the task constructively, and that the phaseout will not jeopardize the long-term sustainability of the host country's program. IF CHECKED, SKIP QUESTION 3.

   ☐ Other donor(s) are prepared to assume responsibility for contraceptive support. IF CHECKED, SKIP QUESTION 3.

   ☐ The USAID Mission is scheduled for closure in "x" years. IF CHECKED, SKIP QUESTION 3.

   ☐ ***The Mission concludes that the host country partner(s) could and should assume increased responsibility, and although discussion has not yet ensued, resistance is expected. GO TO QUESTION 3.***

- ☐ ***USAID resource constraints are unrelated to the continuing high priority of family planning/reproductive health conditions in the host country (i.e., inadequate population/reproductive health funds to address country requirements). GO TO QUESTION 3.***
- ☐ ***The Mission concludes that host country partner(s) have not responded in good faith to previous commitments regarding their assumption of increased responsibility for FP/RH program costs. GO TO QUESTION 3.***
- ☐ ***There are USAID resource constraints as a result of changed U.S. government strategic interests and objectives in the host country (e.g., the elimination or diminution of an FP/RH–related SO; statutory limitations on U.S. government assistance, other). GO TO QUESTION 3.***

3. ***The essential reason that USAID, other donors, and host country institutions provide contraceptive supplies is to ensure that "everyone who wants to use family planning is able to choose, obtain, and use good-quality contraceptives"—a concept known as contraceptive security (Population Reports™ Winter 2002). The USAID Mission is proceeding to phase out contraceptive assistance for a reason(s) that may be inconsistent with this goal and which may result in serious disruption to the host country's population/ reproductive health program. Has the Mission considered this possible outcome in making its decision to initiate a CPS at this time?***

   - ☐ ***Yes***
   - ☐ ***No*** ***[Include "Contraceptive phaseout may jeopardize host country program" in the Decision Factors section at the end of this CSA.]***

The items highlighted in ***bold italics*** are valid and often unavoidable reasons to launch and/or implement a CPS. They present major challenges to the achievement of a successful phaseout, as each implies a lack of substantive involvement and readiness on the part of host country partners to engage in the CPS. Missions that undertake contraceptive phaseout strategies for these reasons need to be especially mindful of the risks associated with such strategies and should manage their CPS carefully to minimize potential damage to FP/RH programs. The Management Decision Tool will help Missions anticipate some of these issues and schedule measures which will facilitate a successful—or minimally disruptive—CPS.

B. Country Policy Environment

1. Does host country policy explicitly support population/reproductive health programs?

   ☐ *Yes*

   ☐ *No.* Will this absence of policy support impede the host country's assumption of responsibility for contraceptive costs?

      ☐ ***Yes*** ***[Include "Identify host country policy constraints" in section A of the Policy Dialogue Guide and in section B of the Task Identification Guide.]***

      ☐ *No*

2. Does the host country provide meaningful (in the Mission's judgment) budgetary support for its FP/RH program?

   ☐ *Yes*

   ☐ ***No*** ***[Include "Identify host country budgets/financial support" in section B of the Policy Dialogue Guide and in section B of the Task Identification Guide.]***

3. Does the host country maintain a budget line item or earmark for contraceptive supplies?

   ☐ Yes

   ☐ ***No*** ***[Include "Determine host country resources for contraceptive purchases" in section B of the Policy Dialogue Guide and section B of the Task Identification Guide.]***

4. Are contraceptives included on the host country's essential drug list?

   ☐ *Yes*

   ☐ ***No*** ***[Include "Promote inclusion of contraceptives on the EDL" in section B of the Policy Dialogue Guide and section B of the Task Identification Guide.]***

5. Are there any customs duties or tariffs on contraceptive imports?

   ☐ ***Yes*** ***[Include "Determine contraceptive duties/tariff requirements" in section B of the Policy Dialogue Guide.]***

   ☐ *No*

C. Negotiation Environment

1. Is the host country's economy undergoing (or likely to undergo) any serious disruptions that could impede its capacity to assume new financial burdens?

   ☐ ***Yes*** ***[Include "Weak host country economic/fiscal conditions" in the Decision Factors section of the CSA.]***

   ☐ ***No***

ALERT: Unless another donor is prepared to provide contraceptives previously supplied by USAID, the Mission should reexamine the host country's readiness to assume responsibility for the purchase of its own contraceptive supplies and management of its logistics system during a period of economic dislocation and/or austerity. Contraceptive phaseout strategies need to be based on a realistic expectation of success.

2. Have host country partners been substantively involved in any assessment of the feasibility and/or implications of contraceptive phaseout?

   ☐ *Not yet, but the Mission expects its partner(s) to be actively and constructively engaged in the phaseout process once USAID has announced its intention to phase out contraceptive assistance.*

   ☐ *Yes.* Are the partners approaching the phaseout issue constructively? That is, are they prepared to negotiate toward a genuine phaseout, with host country assumption of responsibility for its own contraceptive purchases?

      ☐ *Yes, all parties are in agreement regarding the CPS.*

      ☐ *Yes, but with some concerns over its implementation.* What are the partners' key concerns?

         ☐ ***Financial constraints/ability to cover contraceptive costs [Include "Identify host country budget/financial support" in section B of the Policy Dialogue Guide and in section B of the Task Identification Guide.]***

         ☐ ***Technical capacity in procurement, logistics, etc. [Include "Determine technical assistance requirements" in section C of the Task Identification Guide.]***

         ☐ ***Political concerns (e.g., donor funding for FP/RH) reduce the need for partners to promote politically risky FP/RH activities. [Include***

"Political sensitivity of host country contraceptive purchases" in the Decision Factors section of the CSA and in section A of the Policy Dialogue Guide.]

☐ ***Other***

ALERT: Implementation of a CPS in an environment hostile or potentially hostile to FP/RH can have serious negative consequences. Most notable among these would be a successful phaseout of USAID contraceptive assistance, followed closely by the refusal of the host country legislature or executive to approve funding for host country purchase of contraceptive supplies. USAID Missions need to consider these risks.

☐ ***No. Partners are resisting, or are expected to resist, any substantive discussions regarding contraceptive phaseout. [Include reasons below and include on the Policy Dialogue agenda.]***

1) _____

2) _____

3) _____

[Include "Host country partner(s) resisting or are expected to resist CPS" in the Decision Factors section of the CSA.]

☐ ***No. Partners have NOT been involved in phaseout planning. Why not?***

- ☐ Mission is not contemplating a CPS at this time.
- ☐ Mission needs more time to develop its CPS and negotiation position.

☐ ***Mission expects negative/obstructionist response from host country partners. [Include "Host country partner(s) expected to resist CPS" in the Decision Factors section of the CSA.]***

☐ Other

3. Has USAID involved other current and/or potential donor(s), relevant NGOs, and the commercial sector in phaseout planning?

☐ *Yes*

☐ ***No [Include "Consult other donors" in section A of the Task Identification Guide.]***

4. Have other donors stated their commitment to providing contraceptives beyond USAID's contraceptive donation timeframe?

   ☐ *Yes*

   ☐ ***No*** ***[Include "Consult other donors" in section A of the Task Identification Guide.]***

5. Has the USAID Mission identified a lead person who will manage the assessment process?

   ☐ Yes

   ☐ ***No*** ***[Include "Identify/assign CPS manager" in section A of the Task Identification Guide.]***

D. FP/RH Program Situation

1. What is the current contraceptive prevalence rate (CPR) for modern methods?

   ☐ >50%

   ☐ 30–50%

   ☐ ***<30%*** ***[Include "Low contraceptive prevalence" in the Decision Factors section of the CSA.]***

ALERT: Without the presence of alternative donor(s) and/or host country readiness to assume contraceptive costs, USAID's termination of contraceptive assistance for a very low prevalence program will seriously impede the likelihood that low-income clients will be able to access family planning services in the foreseeable future. USAID's decision to phase out contraceptive support under these conditions should be based on clear and compelling reasons.

2. What is the Mission's Strategic Objective (SO) for family planning/ reproductive health, and what role does contraceptive availability have in achieving that SO?

   SO: _____

   Role of Contraceptive Availability: _____

   _____

3. What is the CPR objective, if any, in the Mission's current country strategy?

   _____% by the year 20___

   Is the completion date of this objective later than the completion date for the Mission's CPS?

   - ☐ ***Yes*** ***[Include "Need to revise Mission's country strategy" in the Decision Factors section of the CSA, and in section A of the Task Identification Guide.]***
   - ☐ *No*

4. What is the projected contribution of the commercial (including contraceptive social marketing) sector to this CPR objective?

   - ☐ 10–20%
   - ☐ 21–30%
   - ☐ 31–40%
   - ☐ 41–50%
   - ☐ >50%

5. If contraceptive social marketing is funded by USAID, what is the new projected contribution of the commercial sector to this CPR objective after USAID contraceptive donations end?

   - ☐ 10–20%
   - ☐ 21–30%
   - ☐ 31–40%
   - ☐ 41–50%
   - ☐ >50%

6. Will this projected market share be adequate to ensure that commercially marketed contraceptive products are generally available at affordable prices to low-income clients?

   - ☐ *Yes*
   - ☐ ***No*** ***[Include "Affordable contraceptives will not be available in commercial market" in the Decision Factors section of the CSA.]***

7. Does the Mission's proposed CPS include efforts to promote the availability of low or moderate cost contraceptives through commercial, social marketing, and/or nongovernment channels?

   ☐ *Yes.* What is the planned source of supply?

      ☐ Donor

      ☐ Commercial sector

      ☐ Nonsubsidized social marketing

      ☐ NGOs

      ☐ Other

   ☐ ***No. How does the host country partner intend to ensure continuing contraceptive access for low-income clients?***

      ☐ ***Free and/or subsidized services at public health facilities [Include "Explore feasibility of host country provision of free or subsidized contraceptive services for low-income clients" in section A of the Policy Dialogue Guide.]***

      ☐ ***Not yet determined. [Include "No host country plan to ensure contraceptive access for low-income users" in the Decision Factors section of the CSA.]***

ALERT: When host countries assume responsibility for procurement of their own contraceptive products and management of the logistics systems, they frequently take steps to ensure that free or subsidized products are distributed only to the most needy clients (e.g., via some form of client targeting, imposition of user fees). If clients face the prospect of being excluded from access to free or heavily subsidized contraceptive products after phaseout, they will need access to alternative—usually commercial—products at affordable prices.

8. Are the Mission's FP/RH objectives—as presented in the most recent monitoring plan—attainable within the timeframe of the CPS?

   ☐ *Yes*

   ☐ ***No [Include "Adjust FP/RH objectives" in section A of the Task Identification Guide.]***

9. Does the Mission have or expect to have the budget resources needed to support achievement of FP/RH program objectives within the timeframe of a CPS? (Note that a CPS will probably require additional inputs for phaseout-related technical assistance and training in policy development, market segmentation/cost-recovery initiatives, logistics, etc.)

   ☐ *Yes*

   ☐ ***No*** ***[Include "Inadequate USAID resources to support additional inputs needed to implement a comprehensive CPS" in the Decision Factors section of the CSA.]***

10. Do(es) USAID's host country partner(s) have any cost-recovery and/or market segmentation plan in place?

    ☐ *Yes*

    ☐ ***No.*** ***Cost-recovery measures may help host country partners generate the revenues needed to finance their bulk contraceptive purchases. Market segmentation also keeps partners' contraceptive acquisition costs down by helping to ensure that subsidized contraceptive supplies are distributed only to clients who cannot pay commercial or near commercial prices for those products. Discussions on this issue could be complicated by host country law and/or policy calling for free distribution of contraceptive services. [Include "Develop cost-recovery and/or market segmentation initiatives" in section B of the Task Identification Guide.]***

11. Does the Mission provide condoms to host country programs for purposes of HIV/AIDS prevention?

    ☐ *No*

    ☐ *Yes.* Does the Mission intend to *include* these condoms in the phaseout strategy, or *exclude* that program component from the CPS?

       ☐ Include ***[Include "Need to determine alternative sources of condoms for HIV/AIDS program" in Decisions Factors section of the CSA and in section A of the Policy Dialogue Guide.]***

       ☐ Exclude

12. If, upon completion of a country situation analysis, the Mission decides to proceed with development of a country phaseout strategy, the Mission should establish milestones/benchmarks to track the achievement of a CPS. Some *illustrative* milestones include:

    - Mission, host country partners, and other stakeholders agree on the elements, timeframe, and objectives of a CPS via SOAG, MOU, or other agreement.
    - In conjunction with all stakeholders, USAID completes an assessment of host country partners' technical assistance and training needs in logistics management and procurement (includes LMIS development, forecasting, warehousing, distribution assistance, and policy/advocacy initiatives to support the partner's needs after phaseout).
    - USAID develops and funds a technical assistance and training assistance package.
    - Market segmentation/cost-recovery plan is developed.
    - Market segmentation/cost-recovery pilot study is launched.
    - Host country partners complete first independent estimation of future contraceptive needs.
    - Host country prepares contraceptive product specifications and formulations, packaging and labeling, quality assurance standards and testing, and regulatory and customs requirements.
    - Examination of procurement options is completed. (Choices might include procurement through a purchasing agency [e.g., UNFPA], direct procurement from vendors, negotiated procurement, restricted tenders, open tenders, other).
    - Contraceptive procurement costs are estimated under various procurement scenarios.
    - Host country partner(s) select(s) procurement option(s).
    - Host country partner(s) prepare(s) contraceptive procurement budget.
    - Host country partner(s) secure(s) and budget(s) funds for contraceptive procurement, warehousing, and distribution costs.
    - Host country partner(s) procure(s) contraceptive products.
    - Host country partner(s) successfully receive(s), warehouse(s), and distribute(s) contraceptive products.

E. Management/Procurement/Logistics Capacity

1. Do(es) the host country partner(s) have sufficient management and technical capacity to tailor their program to fit with the realities of a self-reliant program and financing conditions? This would include capacity to

   - assess the policy and program environment,
   - assess options for change and bring about required policy and program changes,
   - assume full responsibility for contraceptive supply and logistics management, including forecasting of contraceptive needs, developing and carrying out tenders, managing the procurement process, arranging for detailed and technical product specifications, evaluating vendor bids, preparing and monitoring vendor contracts, and maintaining distribution systems (transport, storage, and tracking of products), and
   - budgeting for contraceptive procurement.

   ☐ ***Yes to all***

   ☐ ***No to one or more of these skills/capabilities. [Include "Develop management and logistics improvement plan" in section C of the Task Identification Guide.]***

2. Do(es) the Mission's host country partner(s) currently purchase any of its (their) own contraceptive supplies?

   ☐ *Yes*

   ☐ ***No. Even if partner(s) possess(es) considerable logistics and commodity management skills—often developed with USAID–provided technical assistance—the capacity to actually procure contraceptive supplies and to manage the logistics system may be underdeveloped and untested. Partners generally require time and technical assistance to develop the skills needed to successfully plan and execute their own purchase of contraceptive commodities and to manage and implement a contraceptive logistics system. [Include "Improve procurement and logistics system skills and procedures" in section D of the Task Identification Guide.]***

3. Do BOTH the Mission and the host country partners have a clear understanding of the host country partner(s)' procurement cycle (e.g., the total elapsed time needed by them to plan, budget, contract, purchase, and receive medical/pharmaceutical supplies as well as their logistics system)?

   ☐ *Yes*

   ☐ ***No/Don't know. The timeframe of a contraceptive phaseout strategy should be long enough (i.e., longer than preparing for and implementing one procurement cycle) to test the system's readiness and to help identify areas in need of additional technical assistance and/or training. Missions and partners need to be familiar with the duration and elements of this procurement cycle. [Include "Analyze/map host country procurement cycle" in section D of the Task Identification Guide.]***

4. Will the host country partner(s)' logistics system or systems have to be modified to adapt to new procurement and financing arrangements?

   ☐ ***Yes. Do local partners have the capacity to design, plan, implement, and monitor those changes?***

      ☐ *Yes*

      ☐ ***No [Include "Identify technical assistance requirements for postphaseout environment," and "Provide postphaseout technical assistance" in section C of the Task Identification Guide.]***

   ☐ *No*

ALERT: In the absence of any of these procurement and logistics management capacities, contraceptive availability will be disrupted and could produce product shortages and stockouts as well as decrease the quality of health services.

Decision Factors

The CSA exercise may have identified several concerns (listed below) that will bear on the Mission's decision to proceed with a CPS at the current time. For the most part, these items are risk factors that can impede the likelihood of a successful phaseout strategy. They serve to remind the Mission that contraceptive phaseout—if pursued too abruptly or in the face of unresolved issues—can seriously disrupt or derail the host country's efforts to attain contraceptive security. They should be considered carefully before a decision is made to initiate a CPS.

Missions that have little choice but to proceed with a contraceptive phaseout notwithstanding the risks should try to undertake a CPS that at the very least minimizes disruption to the host country program (e.g., seek an expansion of support from other donors, ensure that USAID/Washington is aware of the risks to U.S. government interests and objectives in the host country, be candid and unambiguous in dealings with host country partner(s), intensify high-level policy discussions, and support, if possible, public advocacy activities that promote a more favorable host country posture in relation to its own population/reproductive health program).

Issues Requiring USAID Mission Review

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____

Task Identification Guide

The Task Identification Guide (TIG) helps USAID Missions and their partners identify specific tasks that need to be addressed for a successful phaseout of contraceptive support, which is defined as a successful transition of contraceptive procurement responsibilities from USAID to USAID's host country partner(s).

The primary product that will emerge from the TIG exercise will be a time line or **action plan** that presents in logical sequence the agreements, actions, decisions, and outcomes necessary to ensure a successful transition. This time line will also help identify critical milestones or benchmarks (updated as needed to reflect changing conditions) that Missions can use to track progress towards phaseout.

Structure of the TIG

Every country situation is unique; there is not one approach to a contraceptive phaseout/transition process that will be appropriate for all countries. Even the starting point for a CPS will vary from country to country. In some instances, Missions need to move quickly toward contraceptive phaseout, perhaps because of funding shortfalls, host country political developments, or abrupt changes in U.S. government assistance strategy. In these cases, the effective starting point of a CPS might be the Mission's announcement to its host country partners that contraceptive phaseout will be completed by a specified date. In such instances, the partners would need to work as quickly as possible with the Mission and other stakeholders to prepare for that outcome.

In other cases, USAID Missions will have the opportunity to develop and implement the CPS carefully and methodically—ensuring the regular and substantive involvement of the Mission's host country partners and other stakeholders in the process. This approach to phaseout would possibly begin—at the country situation analysis stage—with a series of meetings and reviews by USAID and its host country partners at the technical level to examine the prospects and consequences of phaseout, analyses of program impact under various phaseout scenarios, and the eventual involvement of Mission and host country leadership to establish overall parameters for the contraceptive phaseout strategy. And, of course, there will be variants among and between these approaches.

This TIG is not meant to superimpose any ideal or model approach to contraceptive phaseout on a Mission's own planning process. Rather, it is intended to serve as an aid in that planning process by helping Missions and partners identify many of the tasks, actions, and decision points that Missions and partners might normally expect to encounter as they plan and implement a CPS.

The TIG includes four sections that approximate the chronological sequence of events normally involved in a contraceptive phaseout strategy. Policy-related tasks are covered in the PDG. The four sections are:

A. Development and Negotiation of the CPS,

B. Implementation of the CPS,

C. Development of Logistics Management Capabilities, and

D. The Host Country Procurement Process.

As a practical matter, Missions can decide to structure a TIG in whatever way they choose to catalogue and monitor the tasks they need to carry out to successfully implement a CPS.

Using the TIG

Each of the TIG's four sections lists several preprinted tasks. These are not meant to suggest that every Mission needs to address every item. Rather, they are shown primarily for illustrative purposes and to serve as reminders of the types of tasks that other Missions have had to address as they carried out previous contraceptive phaseout strategies. Because these tasks are based on the real experience of other USAID Missions, they should be considered as the Mission develops its TIG.

The following steps can be used to create a TIG:

1. Transcribe the tasks identified by the CSA exercise onto the appropriate sections of the TIG.

2. Review the preprinted tasks to determine if any of them apply to the Mission/host country situation and check those that do apply.

3. Fill in the information called for by the column headings (i.e., number the checked tasks in the *approximate* chronological order that they should begin, identify the Action Officer(s) responsible for completing or managing the task, and indicate the approximate Begin/End Dates for each task).

4. Using the sequence numbers and approximate begin/end dates from the TIG, plot the tasks onto a time line. Review the time line with other elements of the Mission and possibly with host country partner(s). Refine the sequence of tasks and begin/end dates as needed and develop a revised time line.

5. Insert key benchmarks and milestones onto the revised time line (some illustrative benchmarks and milestones are marked with a double asterisk [**] among the preprinted list of tasks in each section of the TIG. Other possible milestones are presented in section D, question 12 of the Country Situation Analysis).

6. Using the revised time line, create a new TIG that displays all tasks as one seamless chronological list (the original—A, B, C, D—section categories can be discarded if desired).

The TIG and time line can now be used by the Mission both as a checklist of essential tasks and as a monitoring device to track progress toward phaseout.

A. Development and Negotiation of the Contraceptive Phaseout Strategy (CPS)

Sequence Number	Task	Action Office(R)	Dates	
			Begin	End
	Conduct situation analysis to determine if phaseout is appropriate (in view of political, financial, program coverage, other factors) and if the Mission and partners should proceed with this strategy.			
	USAID (Mission, Regional Bureau, Bureau for Global Health) decides to adopt and implement a CPS if determined appropriate for the host country stakeholders.			
	Informal discussions held with host country partners at senior/policy level (relevant cabinet ministers, MOH director-general, etc.)			
	Informal discussions held with host country partners at technical level (population program director and staff, HC procurement and logistics personnel, etc.)			
	Mission consultations held with Regional Bureau and GH/PRH/CSL.			
	Establish indicators to monitor phaseout impact (e.g., CPR by service providers [public sector, NGOs, retail, social marketing]).			
	Mission and host country partner(s) designate specific individuals who will serve as their respective primary contact points for CPS–related issues.			
	Mission and partners (technical level) jointly develop a preliminary position paper for review by Mission and partner leadership.			
	Invite other donors, NGOs, commercial sector to participate in the negotiation process.			
	Mission and partners conduct a contraceptive phaseout conference (possibly a 2–day forum) for Mission, HC partners, and other donors and stakeholders to build consensus on actions to be taken to implement the phaseout and formulate a draft action plan for the phaseout**			
	Mission/HC working groups are formed to consider policy, cost, timing, procurement, logistics, and technical assistance/training issues related to phaseout			
	Working group recommendations are developed for consideration by USAID and host country leadership.			

A. Development and Negotiation of the Contraceptive Phaseout Strategy (CPS) (continued)

Sequence Number	Task	Action Office(r)	Dates	
			Begin	End
	USAID determines inputs (funds, contraceptives, technical assistance resources, endowment) available to facilitate the phaseout process.**			
	Begin to obtain other donor commitments to respect/support the objectives of the CPS process.			
	Exchange formal understandings regarding these commitments among USAID, donors, and host country partners.**			
	USAID director and host country senior officials meet to define elements of the CPS and affirm support for the CPS process. [Carry over to the Policy Dialogue Guide.]**			
	USAID and partners prepare draft CPS, which presents rationale, objectives, and preliminary timeframe for the phaseout.			
	CPS refined by USAID, partners, and other donors.			
	CPS document (MOU, SOAG, other) signed by USAID, senior-level HC partners, provides directions, benchmarks, and timeframe for further negotiations, and identifies responsible parties and problem-resolution procedures. [Move to Policy Guide.] **			
	Adjust USAID program objectives (e.g., CPR, geographic coverage) as needed to reflect impact of contraceptive phaseout.			
	Identify/assign CPS manager.			
	Adjust FP/RH objectives.			

B. Implementation of the CPS

Sequence Number	Task	Action Office(r)	Dates	
			Begin	End
	Establish a monitoring plan, milestones, and benchmarks for the CPS.			
	Identify amounts and trends in HC budget/financial support needed for contraceptive procurement.			
	Develop technical assistance plan to address policy constraints to a successful transition (e.g., import restrictions on contraceptives, statutory/constitutional requirement barring any market segmentation or cost recovery for contraceptive services).			
	Develop technical assistance package, if needed, to address HC economic/budget/financial constraints (e.g., lack of budget line item for contraceptive products and logistics management, noninclusion of contraceptives on essential drug list, host government fiscal austerity measures).			
	Develop with HC partners an information campaign to address HC cultural, religious, and/or political constraints to a successful transition.			
	Determine customs/duties requirements, if any, for imported contraceptive products.			
	Develop policy dialogue agendas for Mission director, ambassador, and other U.S. government personnel as appropriate, as well as for CA(s) responsible for engaging HC partners in the policy process.			
	Provide technical assistance to address policy and financial constraints.			
	Host country policy change(s) implemented.**			
	Identify HC partners' cost-recovery and/or market segmentation strategies. May include conducting market segmentation and/or cost-recovery feasibility studies.			
	Develop cost-recovery and/or market segmentation initiatives with HC partners and identify technical assistance requirements, if any.			
	Provide technical assistance in cost recovery and market segmentation.			
	Initiate cost-recovery/market segmentation initiative(s).**			
	Hold a midcourse progress assessment conference, including USAID, host country partners, other donors and stakeholders.			
	Identify HC policy constraints.			
	Revise CPS as needed.			
	Promote inclusion of contraceptives on the EDL.			

C. Development of Logistics Management Capabilities

Sequence Number	Task	Action Office(r)	Dates	
			Begin	End
	Conduct an assessment of the technical assistance and training needed to strengthen the host country partner(s) contraceptive logistics system and procedures both during and after phaseout of contraceptive donations.**			
	Develop/fund a technical assistance and training assistance package that addresses the HC institution(s)' phaseout and needs after phaseout as identified by the assessment**			
	Develop logistics improvement plan.			
	Provide technical assistance and training, as identified in the needs assessment, to • strengthen HC partner(s)' capacity in contraceptive procurement, • develop and operate a logistics information system, and • operate distribution and warehousing systems.			

D. The Host Country Procurement Process

Sequence Number	Task	Action Office(r)	Dates	
			Begin	End
	Analyze/map HC partners' procurement system;** ensure that both USAID and host country partners have a clear understanding of the procurement cycle, institutional participants and their roles, policies and procedures, past performance.			
	Complete an analysis of the different procurement options available to host country partners (e.g., procurement through a purchasing agency, direct procurement from vendors, negotiated procurement, restricted tenders, open tenders, other).**			
	Develop cost estimates for contraceptive purchases by host country partner(s), including costs needed to maintain/improve logistics system, and for transport/distribution of contraceptive supplies based on selected procurement scenarios.			
	Prepare estimates of contraceptive requirements to be purchased by host country partner(s). (Annual task)			
	Confirm inclusion of contraceptive products on host country's essential drug list, if necessary.			
	Conduct an assessment of HC partner(s)' technical assistance and training needs in procurement			
	Develop technical assistance and training plan to address needs and shortcomings in the HC procurement system.**			
	Provide technical assistance to strengthen the HC partners' procurement system.			
	HC determines product specifications, quantities, labeling and shipping requirements for products to be purchased by the host country partner(s).**			
	Compare respective time requirements of USAID and HC procurement cycles; reconcile the two to prevent stockouts/overstocking during transition.**			

D. The Host Country Procurement Process (continued)

SEQUENCE NUMBER	TASK	ACTION OFFICE(R)	DATES	
			Begin	End
	Host country partner(s) select(s) (a) procurement option(s).**			
	Host country partner prepares/submits budget(s) for HC purchase, warehousing, and distribution of contraceptive products.**			
	Host country budget is approved.**			
	Host country budget is allocated and disbursed for contraceptive purchases.**			
	Host country partner prepares bidding documents.			
	Host country partner releases Request for Bids.			
	Host country partner receives/reviews bids.			
	Host country partner awards procurement contract(s).**			
	Products arrive.**			
	Partners test products, if necessary.			
	Products are distributed to service delivery points.**			
	Assess performance of host country procurement process; determine what additional technical support is needed for the next procurement cycle.			
	Improve procurement and logistics system skills and procedures.			

[MOVE SELECTED TASKS TO MISSION TIME LINE]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Policy Dialogue Guide

The planning, negotiation, and execution of a CPS invariably requires the active participation of senior-level representatives of the U.S. government and host country partners. These parties' involvement is needed to

- give credibility and visibility to the CPS,
- affect key decisions and agreements,
- resolve problems and/or disputes,
- provide direction and clear delegation of authority to technical personnel responsible for the day-to-day negotiation toward and implementation of a CPS, and
- ensure that appropriate technical assistance is provided to establish a policy environment that is conducive to achieving CPS goals and benchmarks.

The purpose of this Policy Dialogue Guide is to help the Mission and SO team ensure that appropriate senior-level representatives are engaged in the CPS process at critical junctures. Many of the issues and decision points that require such engagement will emerge from the Country Situation Analysis and TIG exercises described above and would be carried over into this guide. At a minimum, then, this guide is a reminder—a device which the SO team can use to note all of the CPS–related interventions for which USAID and HC senior managers will likely be responsible. As with the tasks identified in the TIG, these could be plotted on a Mission time line so that they can be monitored as part of the Mission's overall CPS management process.

The guide also serves as a checklist for Mission personnel responsible for the staff work, analyses, preparation of talking points, and organizational effort needed to ensure the success of policy-related initiatives. For the most part, such process work is largely invisible on time lines or PERT charts, but it is critically important to the achievement of CPS objectives.

This guide is structured in the same manner as the Country Situation Analysis and the TIG. It presents an illustrative assortment of actions, decision points, and agreements that are meant to serve primarily as suggestions and stimuli to Mission thinking.

A. Development and Negotiation of the CPS

Sequence Number	Task	Action Office(r)	Dates	
			Begin	End
	Determine depth of political support for HC population/reproductive health programs.			
	Identify and address HC policy constraints to population/reproductive health efforts.			
	Consult with senior HC partners who have substantive problems/concerns over a possible phaseout of contraceptive support. Address these concerns (continuous process).			
	Determine the prospective roles and responsibilities of concerned ministries (health, finance, planning, foreign affairs, etc.) and other relevant parties (social insurance organization, NGOs, the commercial sector, etc.).			
	Assess impact of the CPS on the HC economic recovery strategy and/or financial austerity program (if relevant).			
	Provide clear direction to Mission staff responsible for negotiation of the general terms, timeframe, and USAID resource commitments to the CPS.			
	Obtain consensus with appropriate USAID/Washington and U.S. embassy personnel to ensure sending consistent and repeated messages.			
	Execute formal agreement(s) with HC (counterparts and other donors) regarding the terms, conditions, and respective responsibilities under the CPS.			
	Organize all relevant elements of the Mission to support the CPS negotiation process and ensure that all Mission representatives remain consistent in their communications with HC counterparts.			
	Identify HC policy constraints.			

B. Implementation of the CPS

Sequence Number	Task	Action Office(r)	Dates	
			Begin	End
	Provide technical assistance to foster/promote policy changes.			
	Propose policy changes, if needed, to improve the legal, regulatory, and/or political climate for HC population/reproductive health activities.			
	Consult with relevant country leaders to remove policy barriers for targeting and user fees as well as for design, development, and implementation of targeting and user fee systems.			
	Consult with leadership of the relevant ministries (e.g., health, finance, planning) and other appropriate cabinet-level officials regarding levels and trends in HC financing for FP/RH in general and for contraceptive and logistics management requirements in particular.			
	Develop advocacy capacity to support CPS.			
	Promote inclusion of contraceptives on the EDL.			
	Promote/support HC partner(s)' budget requests (e.g., for contraceptive purchases) with relevant HC financial authorities.			
	Urge appropriate cabinet-level counterparts to institutionalize a line item (or earmark) for contraceptive purchases into the host country budget.			
	Identify host country budget/financial support.			
	Determine contraceptive duties/tariff requirements.			

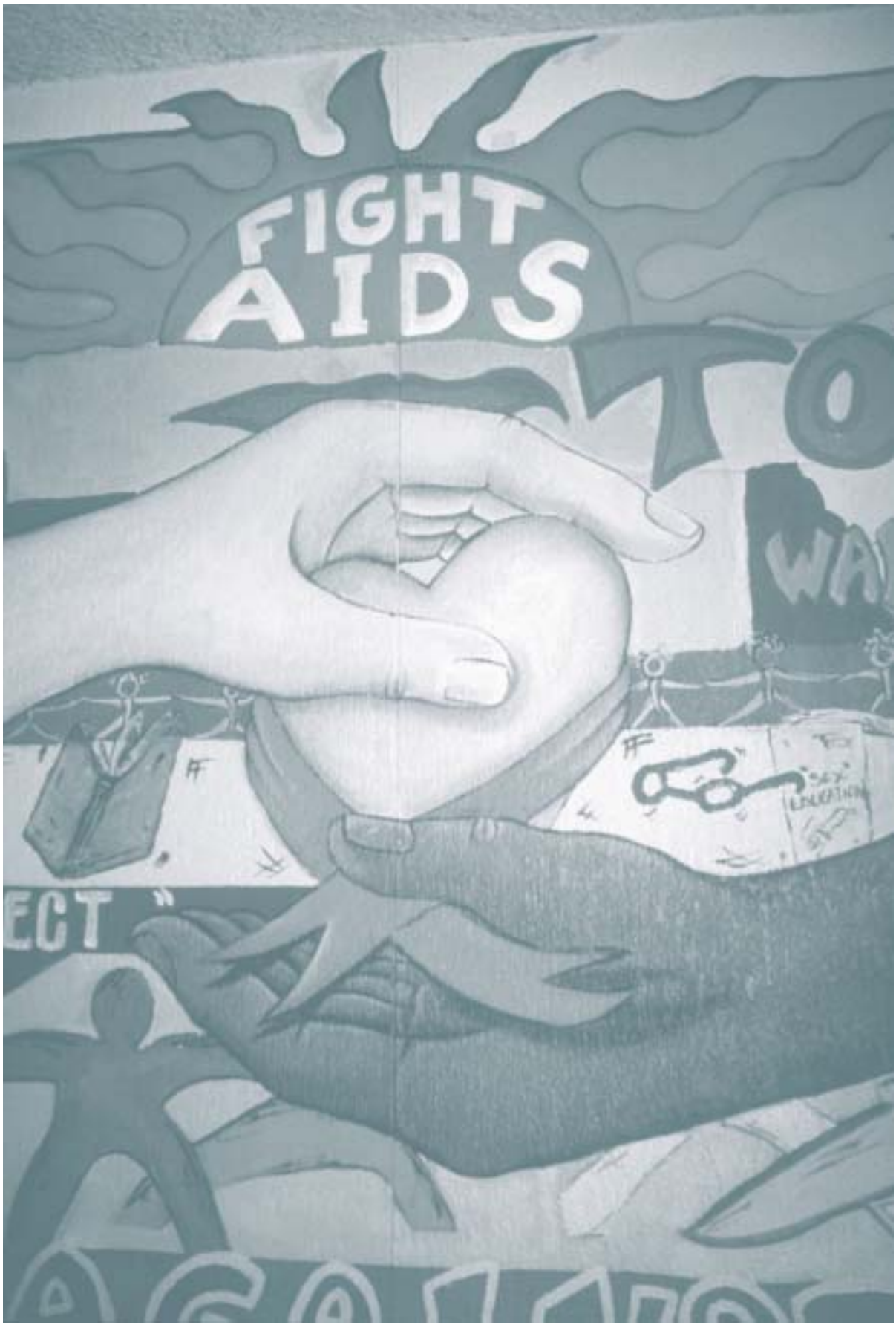
C. Development of Logistics Management Capabilities

Sequence Number	Task	Action Office(r)	Dates	
			Begin	End
	Execute SOAG (or other agreement) specifying respective parties' roles and commitments regarding CPS.			
	Engage leadership of other donors (UNFPA, UNICEF, DANIDA, DFID, GTZ, JICA, CIDA) to support the CPS; gain agreement to coordinate phaseout planning to facilitate success of the CPS.			
	Review legal and regulatory parameters of the procurement process and the logistics systems; identify barriers to achieving self-reliance, and develop a technical assistance plan to remove these barriers.			
	Consult with the leadership of HC partner(s) if latter fails to comply with its responsibilities under the CPS.			

D. The Host Country Procurement Process

SEQUENCE NUMBER	TASK	ACTION OFFICE(R)	DATES	
			Begin	End
	Determine transparency of the procurement process and urge partner(s) to observe generally recognized procurement procedures.			
	If determined appropriate, promote use of international tender(s)—including U.S. firms—to respond to the tender(s).			
	Determine the technical assistance needed (e.g., use of World Bank procurement regulations) and secure availability of this technical assistance.			

[MOVE SELECTED TASKS TO MISSION TIME LINE]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